

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY PARIS IMMEDIATE

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NESCO

E.O. 11652: N/A

TAGS: AORG, UNESCO

SUBJECT: UNESCO 94TH EXBD: ITEM 5.1BUDGET ESTIMATES FOR
1975-1976 BIENNium

REF: DOCUMENT 18 C/5

1. DEPT SERIOUSLY CONCERNED BY WHAT APPEARS TO BE INCREASINGLY CASUAL ATTITUDE IN UNESCO TOWARD EVER-EXPANDING BUDGET FOR WHICH COMPELLING, DETAILED, COGENT JUSTIFICATION HAS NOT BEEN PROVIDED IN ADEQUATE MEASURE. THE EXPECTATION THAT EACH SUCCESSIVE BUDGET WILL INCLUDE A CERTAIN PERCENTAGE OF REAL GROWTH IS BECOMING (IF, INDEED, HAS NOT ALREADY BECOME) FIRMLY ESTABLISHED AS A WAY OF LIFE IN UNESCO. HOWEVER, U. S. PAYS DISPROPORTIONATE SHARE OF THE ORGANIZATION'S BUDGET AND CANNOT VIEW THIS PHENOMENON WITH EQUANIMITY, WHETHER OR NOT WE ARE SUPPORTED BY OTHER MEMBERS IN INSISTING THAT THE ORGANIZATION BE RESPONSIVE TO THE NEED FOR FISCAL RESPONSIBILITY AND ADMINISTRATIVE RATIONALITY.

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2. USDEL SHOULD EMPHASIZE OUR CONCERN ON EVERY

POSSIBLE OCCASION, POINTING OUT THAT AN ELASTIC CAN STRETCH ONLY SO FAR, AND JOIN WITH ANY AND ALL DELEGATIONS THAT MAY BE SIMILARLY INCLINED TO QUESTION 1975-76 BUDGET INCREASE.

3. AT SAME TIME, WE RECOGNIZE IMPACT OF INFLATION AND RELATED COSTS AND ARE PREPARED TO ACQUIESCE IN RECASTING OF 1974-75 BUDGET (BUT IT SHOULD BE MADE CLEAR THAT THIS DOES NOT REPEAT NOT CONSTITUTE PRECEDENT).

4. WE HAVE NO PROBLEM WITH INCREASE IN PART I, WHICH IS ESSENTIALLY DUE TO ADOPTION OF CHINESE AS WORKING LANGUAGE.

5. ON OTHER HAND, WE HAVE NO REAL BASIS FOR EVALUATING \$5.6 MILLION INCREASE PROPOSED IN PART II AND REQUEST DEL TO PROBE THIS WITH FIRMNESS AND TENACITY. WE SIMPLY CANNOT ACCEPT VAGUE GENERALITIES AS ADEQUATE JUSTIFICATION FOR SUBSTANTIAL INCREASE OF THIS KIND. WE MUST HAVE FULL EXPLANATION WHICH MAKES CONVINCING CASE FOR NEED FOR EXTRA FUNDS TO ACHIEVE AGREED OBJECTIVES. THIS, IN TURN, REQUIRES CLEAR INDICATION OF PRIORITIES, CONSISTENT WITH STRATEGIES AND OBJECTIVES EXERCISE, AND IDENTIFICATION OF THOSE SPECIFIC ACTIVITIES THAT WOULD BE CUT IF THE INCREASE WERE NOT APPROVED.

6. IN POINT OF FACT, WE BELIEVE SOUND CASE CAN BE MADE FOR VIEW THAT PROGRAM EXPANSION AT THIS TIME IS NOT IN BEST INTERESTS OF UNESCO AND THAT 1975-1976 PERIOD SHOULD BE ONE OF CONSOLIDATION AND CAREFUL EVALUATION OF PROGRAM AND EXECUTION COSTS BY A NEW DIRECTOR-GENERAL IN LIGHT OF STRATEGIES AND OBJECTIVES AGREED BY 18TH GC. AMONG QUESTIONS FOR WHICH WELL REASONED ANSWERS ARE REQUIRED ARE FOLLOWING:

ARE MEMBER STATES RECEIVING FULL VALUE FOR THEIR CONTRIBUTIONS?

TO WHAT EXTENT ARE ACTIVITIES MERELY CONTINUATION OF RELATIVELY MARGINAL OR DISCREDITED ACTIVITIES?
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HAVE PREVIOUSLY BUDGETED PROJECTS BEEN PHASED OUT ACCORDING TO SCHEDULE?

ARE PROGRAMS AND PROJECTS IN DEVELOPING STATES ACTUALLY CONTRIBUTING TO OBJECTIVES OF THOSE STATES?

7. PROPOSED INCREASE IN PART III IS DIFFICULT TO

RECONCILE WITH PURPOSE OF CONSULTANT STUDY, WHICH WAS TO IMPROVE MANAGEMENT WITH RESULTANT SAVINGS THAT COULD BE USED FOR NEW PROGRAM ACTIVITIES. DEL SHOULD THEREFORE INSIST ON ADDITIONAL DETAILED DATA JUSTIFYING EACH NEW REQUEST IN RELATION TO CONSULTANT RECOMMENDATIONS.

8. ALTHOUGH RELATIVELY MODEST INCREASE HAS BEEN PROPOSED FOR OFFICE OF UNESCO PRESS AND WE WELCOME EFFORTS TO OFFSET INCREASES BY DECREASES IN OTHER ITEMS OF EXPENDITURE, WE BELIEVE INSTEAD OF EXPANDING PUBLICATIONS BUDGET, ESPECIALLY IN VIEW OF FACT THAT DIRECTOR IS NEW AND WE WILL SOON HAVE NEW DG, THAT THIS WOULD BE GOOD TIME TO REVIEW WHOLE PUBLICATIONS OPERATION AND DETERMINE IF EXISTING RESOURCES ARE BEING USED TO ENSURE THAT UNESCO PUBLICATIONS ARE EFFECTIVE AND ARE REACHING SPECIALIZED PUBLICS FOR WHICH THEY ARE INTENDED, AND WITH MAXIMUM IMPACT. IN ADDITION, WE WOULD LIKE MORE DETAILED JUSTIFICATION FOR \$164,000 INCREASE PROPOSED FOR BUREAU OF CONFERENCES, LANGUAGES AND DOCUMENTS. WE AGREE THIS BUREAU COULD STAND IMPROVEMENT BUT ARE SKEPTICAL THAT THE NEW BUDGET ITEMS PROVIDE THE BEST WAY OF ACHIEVING THIS.

9. REGARDING PART V, WE HAVE, FIRST, A MAJOR RESERVATION RE RENTAL OF NEW COMPUTER. WITHOUT REALLY OBJECTIVE, PROFESSIONAL STUDY, WE HAVE NO BASIS FOR EVALUATING NEED FOR GREATLY INCREASED COMPUTER CAPACITY (WHICH WE UNDERSTAND REFLECTS ADVICE OF HEAD OF COMPUTER DIVISION WHO IS ALLEGED TO HAVE CONNECTIONS WITH IBM). SUCH STUDY SHOULD EXAMINE REASONABLENESS OF TYING IN WITH UN GENEVA COMPUTER AND SHOULD BE SPECIFIC AS TO INFORMATION TO BE STORED IN COMPUTER AND PROBABILITY OF ITS UTILITY. SECOND, WE NOTE THAT PORTION OF PARTY V UNCLASSIFIED

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INCREASE IS TO COPE WITH PART II EXPANSION, NEED FOR WHICH REMAINS TO BE DEMONSTRATED. THIRD, PROVISION OF FUNDS FOR MAINTENANCE OF SIXTH BUILDING IS CONTRARY TO OUR BASIC POSITION NOTED BELOW AND RESTS ON HIGHLY IMPLAUSIBLE ASSUMPTION THAT SIXTH BUILDING COULD ACTUALLY BE READY FOR OCCUPANCY DURING LAST MONTH OF BIENNIUM AND THUS REQUIRE MAINTENANCE.

10. CONSISTENT WITH LONGSTANDING, FIRM U. S. OPPOSITION TO SIXTH BUILDING, WE CANNOT REPEAT NOT AGREE TO THIS ITEM IN 1975-76 BUDGET. (PERMDEL SHOULD RESEARCH BASIS OF THIS OPPOSITION BY U. S. WE BELIEVE U. S. BOARD MEMBER SULLIVAN WAS PARTICULARLY HELPFUL IN OPPOSING DECISION TO BUILD, EVEN GOING TO TROUBLE OF OBTAINING ARCHITECTUAL ADVICE ON CONSTRUCTION PLANS.)

IN THIS CONNECTION, WE DO NOT REPEAT NOT UNDERSTAND
UNANIMOUS REPEAT UNANIMOUS VOTE OF HEADQUARTERS COMMITTEE
AT 66TH SESSION TO INVITE DG TO PURSUE EXECUTION OF
PROJECT. WAS PERMDEL NOT REPRESENTED AT THIS MEETING?

11. WE ARE UNDER IMPRESSION THAT BUDGET WAS INITIALLY
BASED ON EXCHANGE RATE OF ABOUT 4.60 AND THAT WHEN RATE
INCREASED IN FEBRUARY TO AROUND 5.10, ADDITIONS WERE MADE
TO BUDGET TO ABSORB THE DIFFERENCE. PRESENT BUDGET, HOW-
EVER, PURPORTS TO BE BASED ON PREVAILING 4.80 RATE.
WOULD APPRECIATE PERMDEL QUIETLY INVESTIGATING THIS
MATTER.

12. TO RECAPITULATE: AT THIS TIME DEPT IS PREPARED TO
ACCEPT ONLY RECASTING OF 1973-1974 BUDGET (I.E.
\$145.6 MILLION) PLUS INCREASE OF \$361,000 FOR PART I,
MINUS \$2.6 MILLION ALLOCATED FOR SIXTH BUILDING. US DEL
SHOULD FULLY AND EXPLICITLY RESERVE POSITION ON OTHER
PROPOSED INCREASES, PENDING OUR RECEIPT AND EVALUATION OF
DATA OUTLINED ABOVE PRIOR TO 18TH GC. (IF CRITICISM
IS VOICED IN CORRIDORS THAT U. S. POSITION WOULD UNDERCUT
M'BOW WHEN HE BECOMES DG, DEL SHOULD STRESS THAT OUR
CONCERNS ARE, AFTER ALL, EXCLUSIVELY ABOUT MAHEU'S BUDGET
AND THAT WE BELIEVE M'BOW'S ADMINISTRATION WOULD BENEFIT
FROM MORE PRUDENT AND RATIONAL ALLOCATION OF FUNDS.

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13. PERMDEL SHOULD, AS MATTER OF COURTESY, INFORM
GENEVA GROUP OF U. S. POSITION SET FORTH ABOVE PRIOR TO
EXBD'S CONSIDERATION OF BUDGET. RUSH

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